

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6580

BILL NUMBER: HB 1229

NOTE PREPARED: Dec 21, 2009

BILL AMENDED:

SUBJECT: Utility Receipts Tax Credit for Foundries.

FIRST AUTHOR: Rep. Pearson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill provides a credit against the Utility Receipts Tax for certain utility services used in the direct production of tangible personal property in a person's business of metal casting manufacturing.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Department of State Revenue (DOR):* This bill will result in an increase in administrative costs for the DOR by requiring the DOR to revise Utility Receipts Tax forms as well as update computer software. Any impact on administrative costs should be covered under their existing level of resources.

Explanation of State Revenues: *Impact on Utility Receipts Tax (URT) Collections:* This bill will decrease URT collections by an indeterminable amount. The bill provides foundries a credit of up to \$6,000 against the URT for utility services used in the direct production of tangible personal property in the business of metal casting manufacturing (as described by NAICS code 3315).

The rate for the URT is 1.4%. The URT is calculated on the gross receipts of all entities providing the retail sale of utility services in Indiana and is deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOR.

Local Agencies Affected:

Information Sources:

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